REMARKS

Applicants have now had an opportunity to carefully consider the Examiner's comments set forth in the Office Action of February 13, 2008.

Re-examination and reconsideration of the Application is requested.

I. The Office Action

Claims 1-57 were presented for examination.

Claims 1-57 stand rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent No. 7,035,812 to Meisel et al. (hereinafter "Meisel") in view of US Patent No. 6,925,442 to Shapira et al. (hereinafter "Shapira").

II. The Cited References

In contrast to the instant application, Meisel is related to a system and method for enabling advertisers to influence a position for a search listing within a search result list. The system allows for bidding to occur when the advertiser changes the bid amount for a set of keywords. In Meisel, this results in a simple ranking by bid of advertisers' content for each keyword set. There is no automation of bidding in Meisel.

Also in contrast to the instant application, Shapira is related to a system for calculating the ROI of banner ads. The system tracks the arrival of visitors to the advertisers' website through a tracked banner ad and the page the ad is posted on. The visitor's purchases are then tracked. This allows an advertiser to calculate the ROI of a banner ad on a given page.

Neither of these references discloses automation of certain aspects of the advertiser's bidding process. In Meisel, the advertiser must participate in every auction of relevant keywords. In Shapira, the advertiser is merely allowed to track the results of his ad campaign. In short, Meisel and Shapira, individually and in combination, for this and for other reasons, do not teach or suggest the claims of the instant application.

III. Claim Amendments

The claims have been amended in order to more fully explain and distinguish the present application's use of Return on Advertising Investment (ROAI), and to stress the novelty and the non-obvious nature of the present application's ROAI claim element. Shapira does not actually claim the same ROAI as is claimed in the present application.

Shapira claims a return on investment for an advertising campaign, which is calculated as being equal to the value generated from an advertising campaign minus the cost of the advertising campaign. The present application discloses a far more sophisticated and entirely different Return on Advertising Investment calculation. The present application uses ROAI not to evaluate an entire advertising campaign, but to evaluate the use of a single word, namely a keyword, as used in a search engine. A single word encompasses a substantially smaller scope than does an entire advertising campaign.

Furthermore, the present application calculates ROAI in a substantially different manner than does Shapira. The present application uses not only sales data, but also uses visitor data, incorporates historical data, and user information input by the user on the advertiser's web site. This had been added to the amended claim. This wide plethora of data is much more expansive and encompasses a larger scope of past and present data than does Shapira. The present application increases the accuracy of a recommended bid, while Shapira evaluates the performance of an advertising campaign. The present application uses the ROAI to assist in placing a bid which will occur in the future, while Shapira evaluates performance of an advertising campaign that has already occurred in the past.

The performance of a search query has also been added to the body of the claim to make this aspect more prominent. The first office action did not present a reference that anticipates a search query.

The claim was also amended to emphasize that the bid calculated from with the use of the ROAI can also be used in the bidding process. If the bidder does not win the bidding for a keyword, then the present application may also suggest alternative words which are similar to the initial keywords.

Finally, new claims are added to claim the features of aggressiveness setting and a competitive assessment to give the user more options in the bidding process.

The claim amendments serve to underscore the importance of the ROAI element to the present application. As such, it would not have been obvious to add this element to Meisel. The ROAI of the present application also differs dramatically from the return on investment taught by Shapira. As such, the present application now overcomes the

rejections based on both the Meisel and the Shapira references, and thus is now in condition for allowance.

IV. **The Claims are Patentable Over Meisel in View of Shapira**

The Examiner has rejected claims 1-57 under 35 U.S.C. § 103(a) as being unpatentable over Meisel in view of Shapira. Applicants traverse all rejections. 35 U.S.C. § 103(a) states:

> A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

However, in making his determination of obviousness, the Examiner must consider all claim limitations. "All words in a claim must be considered in judging the patentability of that claim against the prior art." MPEP 2143.03.

Rejection of Claims 1-30

The rejection of claims 1-30 under § 103(a) should be withdrawn for at least the following reasons. Meisel in view of Shapira does not teach or suggest the subject invention as set forth in the subject claims.

In particular, claim 1 recites:

> A server-based method of automatically generating a plurality of bids for an advertiser for placement of at least one advertisement in association with a search results list, the search results list generated in response to a search query, the method including the steps:
> a) receiving at least one candidate advertisement from the advertiser;
> b) creating a list of candidate keywords associated with the at least one candidate advertisement;

> c) estimating a click-through rate for each advertisement-keyword pair from the at least one candidate advertisement and candidate keywords;
>
> d) calculating a return on advertising investment (ROAI) for each advertisement-keyword pair; and
>
> e) calculating a bid amount for each advertisement-keyword pair.

The Examiner asserts that Meisel discloses claim element "a) receiving at least one candidate advertisement from the advertiser" at column 10, lines 30-33. However, column 10, lines 30-33 recite "In another embodiment, the system, rather than the advertiser, selects the search term or terms relevant to the content of the advertiser's site." This discussion teaches only how *search terms* relevant to an advertiser's site content may be provided. It does not relate to the advertisement itself. This reference therefore does not teach or suggest "receiving at least one *candidate advertisement* from the advertiser."

Shapira does not cure Meisel's failure to teach or suggest this element of claim 42. Applicants note that the Examiner has not alleged that a particular part of Shapira teaches or suggests this element. Applicants respectfully submit that the element "receiving at least one candidate advertisement from the advertiser" is not found in Shapira.

The Examiner asserts that Meisel discloses the element of "estimating a click-through rate for each advertisement-keyword pair from the at least one candidate advertisement and candidate keywords" at column 16, lines 8-15. There, Meisel recites "[o]ne way to determine the probability of a click-through for a particular listing is to use the click through rate over a specified period of time." This describes the use of a calculated click-through rate to determine a probability of a click-through event. In operation here, the click-through rate is pre-established, and calculated from existing data by a simple ratio.

The words of claim 1 recite "estimating a click-through rate." The Examiner has not pointed out estimation of the click-through rate in Meisel. He has, instead of pointing out the estimation of a rate, pointed out a method of calculating the probability of a single event. Meisel therefore does not teach or suggest this element of claim 1.

Shapira does not cure Meisel's failure to teach or suggest this element. Shapira does not disclose any estimation whatsoever, much less estimating a click-through rate. Instead, Shapira describes various means of tracking and reporting user behavior and ad performance. Thus, Meisel in view of Shapira does not make obvious claim 31.

Additionally, the Examiner has not properly combined these references. The Examiner concedes that "Meisel does not explicitly disclose calculating a return on advertising investment (ROAI) for each advertisement-keyword pair." He then asserts that "Shapira clearly teaches a way to calculate and use return on investment for each advertising campaign" at column 2, lines 40-43. However, the Examiner's assertion refers to calculating the return on investment for an advertising campaign, and not each particular "advertisement-keyword pair" as contemplated by claim 1 of the instant application. Keywords are never discussed in Shapira.

The Examiner asserts that it would have been obvious to combine the references, reasoning that "Shapira teaches that using Return on Advertising Investment helps advertisers better analyze the effectiveness of the operator's advertising" at column 2, lines 20-23. However, column 2, lines 20-23 of Shapira recite "It would also be desirable to use the determined visitor quality to analyze the effectiveness of the operator's advertising." There is no mention of Return on Advertising Investment. Further inquiry into the statement shows that visitor quality bears little relation to Return on Advertising Investment. Shapira notes

> a relatively low quality visitor might be one that merely reads the home page of the site and moves on. A higher quality visitor might be one that locates, e.g., a product description page, and an even higher quality visitor might be one who visits the price page. The highest quality visitor is, of course, one that orders and pays for goods or services offered by the web site.

Column 1, Line 43. Applicants find no suggestion to combine the teachings and suggestions of Meisel and Shapira, as advanced by the Examiner, except from using Applicants' invention as a template through hindsight reconstruction of Applicants' claims.

For at least the aforementioned reasons, Applicants respectfully submit that Meisel and Shapira individually and in combination do not teach or suggest the subject invention as recited in claim 1, and that claim 1 patentably defines over these references. Accordingly, Applicants respectfully request withdrawal of this rejection.

Claims 2-30 patentably define over Meisel and Shapira for at least the same reasons that claim 1 does so. In addition, each of claims 2-30 individually contains additional patentable subject matter. Accordingly, Applicants respectfully request withdrawal of these rejections.

Rejection of Claims 31-39

The Examiner asserts that the apparatus of claims 31-39 are substantially similar to method claims 1-30, and has rejected claims 31-39 "under similar analysis." Applicants traverse the assertion that apparatus claims 31-39 are substantially similar to method claims 31-39. The rejection of claims 31-39 under § 103(a) should be withdrawn for at least the following reasons. Meisel in view of Shapira does not teach or suggest the subject invention as set forth in the subject claims.

In particular, claim 31 recites:

> A server-based apparatus for automatically generating a plurality of bids for an advertiser for placement of at least one advertisement in association with a search results list, the search results list generated in response to a search query, the apparatus including:
>
> a sponsored results database for receiving at least one candidate advertisement from the advertiser;
>
> a keyword identification system for creating a list of candidate keywords associated with the at least one candidate advertisement;
>
> an advertisement-keyword selection system in communication with the sponsored results database and keyword identification system for estimating a click-through rate for each advertisement-keyword pair from the at least one candidate advertisement and candidate keywords and calculating a return on advertising investment (ROAI) for each advertisement-keyword pair; and

> a bid determination system in communication with the advertisement-keyword selection system for calculating a bid amount for each advertisement-keyword pair.

The Examiner asserts that Meisel discloses the element of

> an advertisement-keyword selection system in communication with the sponsored results database and keyword identification system for estimating a click-through rate for each advertisement-keyword pair from the at least one candidate advertisement and candidate keywords and calculating a return on advertising investment (ROAI) for each advertisement-keyword pair

at column 16, lines 8-15. There, Meisel recites "[o]ne way to determine the probability of a click-through for a particular listing is to use the click through rate over a specified period of time," and continues forward to define click-through rate and note preferable adjustments to the probability calculation technique. This is insufficient to teach or suggest this element of the claim.

As discussed above with reference to claim 1, the Meisel reference does not teach or suggest estimation. In addition, the Meisel reference does not teach or suggest the system structure of the estimation in the system. For example, the Meisel reference does not teach or suggest the communication in the system for estimating: "an advertisement-keyword selection system *in communication* with the sponsored results database and keyword identification system *for estimating* the click through rate." Moreover, as conceded by the Examiner, Meisel does not explicitly disclose calculating a return on advertising investment for each advertisement-keyword pair.

Shapira does not cure Meisel's failure to teach or suggest these elements. Shapira does not disclose any estimation whatsoever, much less estimating a click-through rate. Moreover, Shapira deals with tracking the behaviors of website visitors attracted to the website via tracked advertisement. It does not sponsor results in a keyword search engine. There is therefore no need, and Shapira never discusses communication between an advertisement-keyword selection system and a sponsored results database. There is similarly no need for and no discussion in Shapira of communication between an advertisement-keyword selection system and a keyword

identification system. There is no evidence or suggestion in either Meisel or Shapira of such a configuration. Thus, Meisel in view of Shapira does not make obvious claim 31.

As discussed above, Applicants believe that there is no suggestion to combine the teachings and suggestions of Meisel and Shapira, as advanced by the Examiner, except from using the Applicants' invention as a template through a hindsight reconstruction of Applicants' claims. Therefore, it is not proper to combine the references to find obviousness.

For at least the aforementioned reasons, Applicants respectfully submit that Meisel and Shapira individually and in combination do not teach or suggest the subject invention as recited in claim 31, and that claim 31 patentably defines over these references. Accordingly, Applicants respectfully request withdrawal of this rejection.

Claims 32-39 patentably define over Meisel and Shapira for at least the same reasons that claim 31 does so. In addition, each of claims 32-39 individually contains additional patentable subject matter. Accordingly, Applicants respectfully request withdrawal of these rejections.

Rejection of Claims 40-41

The Examiner asserts that the apparatus of claims 40-41 are substantially similar to method claims 1-30, and has rejected claims 40-41 "under similar analysis." Applicants traverse the assertion that apparatus claims 40-41 are substantially similar to method claims 1-30. The rejection of claims 40-41 under § 103(a) should be withdrawn for at least the following reasons. Meisel in view of Shapira does not teach or suggest the subject invention as set forth in the subject claims.

In particular, claim 40 recites:

> A server-based method of automatically generating a plurality of bids for an advertiser for placement of at least one advertisement in association with a at least one publisher web page, the method including the steps:
>   a) receiving at least one candidate advertisement from the advertiser;
>   b) creating a list of candidate keywords associated with the at least one candidate advertisement;

> c) creating a list of least one candidate publisher web pages having one or more auctioned advertisement position;
>
> d) estimating a click-through rate for each advertisement-publisher web page pair from the at least one candidate advertisement and candidate publisher web pages;
>
> e) calculating a return on advertising investment (ROAI) for each advertisement-publisher web page pair; and
>
> f) calculating a bid amount for each advertisement-publisher web page pair.

The Examiner has rejected these elements "under similar analysis" to the analysis of claims 1-30. However, at least the element "c) creating a list of least one candidate publisher web pages having one or more auctioned advertisement position" of the instant claim does not occur in claims 1-30.

> In rejecting claims for want of novelty or for obviousness, the examiner must cite the best references at his or her command. When a reference is complex or shows or describes inventions other than that claimed by the applicant, *the particular part relied on must be designated as nearly as practicable. The pertinence* of each reference, if not apparent, *must be clearly explained* and each rejected claim specified.

MPEP 706(c)(2). In rejecting claim 40, the Examiner has alleged that Meisel and Shapira individually or in combination make obvious this element c of the instant claim, but has provided neither designation of a particular part of the references, nor the pertinence of the references explained in relation to the claim element.

As discussed above, Applicants believe that there is no suggestion to combine the teachings and suggestions of Meisel and Shapira, as advanced by the Examiner, except from using the Applicants' invention as a template through a hindsight reconstruction of Applicants' claims. Therefore, it is not proper to combine the references to find obviousness.

For at least the aforementioned reasons, Applicants respectfully submit that Meisel and Shapira individually and in combination do not teach or suggest the subject

invention as recited in claim 40, and that claim 40 patentably defines over these references. Accordingly, Applicants respectfully request withdrawal of this rejection.

Claim 41 patentably defines over Meisel and Shapira for at least the same reasons that claim 40 does so. In addition, claim 41 contains additional patentable subject matter. Accordingly, Applicants respectfully request withdrawal of this rejection.

Rejection of Claims 42-53

The Examiner asserts that the apparatus of claims 42-53 are substantially similar to method claims 1-30, and has rejected claims 42-53 "under similar analysis." Applicants traverse the assertion that apparatus claims 42-53 are substantially similar to method claims 1-30. The rejection of claims 42-53 under § 103(a) should be withdrawn for at least the following reasons. Meisel in view of Shapira does not teach or suggest the subject invention as set forth in the subject claims.

In particular, claim 42 recites:

> A server-based method of generating a bid for an advertiser for placement of an advertisement in association with a search results list, the search results list generated in response to a search query, the method including the steps:
> a) receiving at least one advertisement to be associated with the bid from the advertiser;
> b) receiving a selection of one or more keywords from the advertiser and associating the one or more selected keywords with the bid; and
> c) calculating a recommended amount to bid for placement of the selected advertisement in conjunction with the one or more selected keywords to the advertiser, wherein the search query is associated with the one or more selected keywords.

In rejecting claim 42 "under similar analysis" to claims 1-30, the Examiner asserts that Meisel discloses claim element "a) receiving at least one advertisement to be associated with the bid from the advertiser" at column 10, lines 30-33. However, column 10, lines 30-33 recite "In another embodiment, the system, rather than the advertiser, selects the search term or terms relevant to the content of the advertiser's site." This discussion teaches only how *search terms* relevant to an advertiser's site

content may be provided. It does not relate to the advertisement itself. This reference therefore does not teach or suggest "receiving at least one *advertisement* to be associated with the bid from the advertiser."

Shapira does not cure Meisel's failure to teach or suggest this element of claim 42. Applicants note that the Examiner has not alleged that a particular part of Shapira teaches or suggests this element. Applicants respectfully submit that the element "receiving at least one advertisement to be associated with the bid from the advertiser." is not found in Shapira.

For at least the aforementioned reasons, Applicants respectfully submit that Meisel and Shapira individually and in combination do not teach or suggest the subject invention as recited in claim 42, and that claim 42 patentably defines over these references. Accordingly, Applicants respectfully request withdrawal of this rejection.

Claims 43-53 patentably define over Meisel and Shapira for at least the same reasons that claim 42 does so. In addition, each of claims 43-53 individually contains additional patentable subject matter. Accordingly, Applicants respectfully request withdrawal of these rejections.

Rejection of Claims 54-56

The Examiner asserts that the apparatus of claims 54-56 are substantially similar to method claims 1-30, and has rejected claims 54-56 "under similar analysis." Applicants traverse the assertion that apparatus claims 54-56 are substantially similar to method claims 1-30. Nevertheless, claim 54 has been cancelled and claims 55 and 56 have been amended.

Rejection of Claim 57

The Examiner asserts that the apparatus of claim 57 is substantially similar to method claims 1-30, and has rejected claim 57 "under similar analysis." Applicants traverse the assertion that apparatus claim 57 is substantially similar to method claims 1-30.The rejection of claim 57 under § 103(a) should be withdrawn for at least the following reasons. Meisel in view of Shapira does not teach or suggest the subject invention as set forth in the subject claims.

In particular, claim 57 recites:

> A server-based computer program product for use with an apparatus for generating a bid for an advertiser for placement of an advertisement in association with a search results list, wherein the search results list is generated in response to a search query, the computer program product including:
>
> a computer usable medium having computer readable program code embodied in the medium for causing:
>
> i) selection of a plurality of keywords;
>
> ii) selection of an advertisement to be associated with the bid;
>
> iii) association of one or more of the plurality of keywords with the bid, wherein the search query is associated with the one or more keywords; and
>
> iv) determination of an amount to bid for placement of the selected advertisement in relation to the search results list generated in response to the search query associated with the one or more keywords;
>
> wherein at least one of the selection of the plurality of keywords, selection of the advertisement, association of one or more of the plurality of keywords with the bid, and determination of the amount to bid is based at least in part on user information received a keyword advertisement management system associated with the medium.

In rejecting claim 42 "under similar analysis" to claims 1-30, the Examiner asserts that Meisel and Shapira discloses claim element "a computer usable medium having computer readable program code embodied in the medium for *causing*: i) selection of a plurality of keywords; selection of an advertisement […]"   However, neither Meisel nor Shapira teach this element of code causation, showing only user initiated actions.   For example, Meisel discusses at column 26, lines 34 et seq. a "Change Rank Position" function. In this function, "*the advertiser* requests that the ranks be updated, the system then calculates a new bid value […]" Shapira also discusses calculations upon user request, and therefore does not cure Meisel's failure to teach or suggest code causation of steps i-iv of the instant claim. In the systems of both Shapira and Meisel, a user is

required to initiate each step, and determine what to do with the output. In the instant claim, computer readable program code causes the steps to occur.

For at least the aforementioned reasons, Applicants respectfully submit that Meisel and Shapira individually and in combination do not teach or suggest the subject invention as recited in claim 57, and that claim 57 patentably defines over these references. Accordingly, Applicants respectfully request withdrawal of this rejection.

CONCLUSION

For the reasons detailed above, it is submitted all remaining claims (Claims 1-53 and 55-59) are now in condition for allowance. The foregoing comments do not require unnecessary additional search or examination.

☒   Remaining Claims, as delineated below:

(1) FOR	(2) CLAIMS REMAINING AFTER AMENDMENT LESS HIGHEST NUMBER PREVIOUSLY PAID FOR		(3) NUMBER EXTRA
TOTAL CLAIMS	58	- 57 =	1
INDEPENDENT CLAIMS	5	- 6 =	0

☒   This is an authorization under 37 CFR 1.136(a)(3) to treat any concurrent or future reply, requiring a petition for extension of time, as incorporating a petition for the appropriate extension of time.

☒   The Commissioner is hereby authorized to charge any filing or prosecution fees which may be required, under 37 CFR 1.16, 1.17, and 1.21 (but not 1.18), or to credit any overpayment, to `Deposit Account 24-0037.

In the event the Examiner considers personal contact advantageous to the disposition of this case, he/she is hereby authorized to call Mark S. Svat, at Telephone Number (216) 861-5582.

Respectfully submitted,

FAY SHARPE LLP

_5/13/08_
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